MPGROUP
NAVIGATE MEDICARE TOGETHER

MP Compass

October 2024

Part D Changes for 2025

Medicare is always evolving and changing, and 2025 will be no different.

In 2025, we will begin to see the effects of the Inflation Reduction Act of 2022. This legislation introduces increased complexities to drug pricing, changes to stakeholder liabilities and significant impacts on patient affordability.

It is extremely important to understand the impact of these changes on your benefits since the Annual Enrollment Period—beginning each year on October 15th—for many, is the only opportunity to make changes to your 2025 benefits.

Below are the Part D changes that will take effect on January 1, 2025. All plans in 2025 will adopt these changes, so regardless of whether you receive your Part D prescription drug benefits through a stand-alone Part D plan or a Part C Medicare Advantage plan, you need to review your plan's changes and new benefits.

The 2025 changes are as follows:

- **Medicare beneficiaries' out-of-pocket costs for prescription drugs will be capped at $2,000.** This means your portion of prescription drug expenses (deductible, copays and coinsurance) will not exceed this limit.

- **The Medicare Prescription Payment Plan (M3P).** Medicare beneficiaries will have the option to "smooth out" their $2,000 out-of-pocket maximum by spreading equal payments throughout the plan year. If the member's responsibility for a single medication exceeds $600, this would qualify for the payment plan.

For example:

- Drug Cost: $3000 for a 90-day supply
- Member Cost Sharing: 25% or $750
- Under M3P, the $750 would be eligible to be paid in equal installments for the balance of the plan year
- $750 would count towards the $2,000 annual maximum out-of-pocket

Note: If preferable, members can still choose to bypass the M3P option and pay in full for medications.

- **Certain factors contributing to your monthly premiums will be capped at 6% annually.** However, your premium could rise by more than 6% due to other factors that contribute to your premium calculation.
- **If a drug company increases their prices beyond the rate of inflation, they will be required to pay a rebate to Medicare.** Medicare will start billing these companies no later than the fall of 2025.
- **The Medicare Drug Price Negotiation Program.** Medicare has the authority to negotiate with participating drug companies to reduce the cost of specific medications covered under the program. Negotiations have begun for 10 medications, with the changes expected to take effect in 2026. The full impact of this policy won't be experienced until 2026 and thereafter.

What do all these changes mean for your drug coverage in 2025?

We are anticipating the following changes:

- **Rising Costs:** Premiums, deductibles, copays and coinsurance are on the rise. The impact varies across plans, with some experiencing all of these increases and others just a few. Per CMS estimates, about 3-4% will see a reduction in their out-of-pocket prescription drug costs for 2025.
- **Fewer Plan Options:** Some plan providers will stop participating in Medicare. We've read announcements stating that in some markets, current plans won't be renewed in 2025. If your 2024 Parts C or D plan is not being renewed, you will have the option to enroll in a different plan or you could be offered to enroll in another plan with your current plan provider.

Note: Please read the next article in this newsletter if your plan will no longer be offered.

What steps can you take to find the right drug plan for 2025?

1. **Read Your Annual Notice of Change (ANOC):** You should have received your ANOC in September. This letter outlines all of the changes to your plan or if your plan is leaving the market. We highly recommend that you read your ANOC because it is so important that you understand the specific plan changes and how they will impact your costs and benefits in 2025.

2. **Schedule an appointment with your Medicare insurance agent during the Annual Enrollment Period (AEP).** Remember, this enrollment period begins on October 15 and ends on December 7th. Any changes made during AEP will begin on January 1, 2025.

At MP Group, it is important that, as my client, you know more and stress less about your Medicare benefits. With significant changes for the 2025 plan year, we are ready to help you navigate these changes and the continued complexities of Medicare.

What Happens If Your Plan Stops Participating in Medicare?

This is important information for anyone who received an Annual Notice of Change (ANOC) or a separate letter notifying you that your current plan will not be renewed for 2025. This means your current plan will no longer provide benefits after December 31, 2024.

The good news is that you have plenty of time to enroll in a new plan for the 2025 plan year. Here's what you need to know if this happens to you:

- **Enroll During the Annual Enrollment Period (AEP):** You can choose another plan available in your area during the Annual Enrollment Period. If you enroll during this period, your new benefits will begin on January 1, 2025.

OR

- **Enroll During a Special Enrollment Period:** You could also have a Special Enrollment Period (SEP) that extends through the end of February 2025, allowing you extra time to join another Medicare plan available in your area.

Note: Please read your ANOC for specifics regarding the timeline you are being offered.

Next Steps:

1. **You can start researching your options on October 1, 2024;** however, changes cannot be submitted until October 15th.
2. **It's crucial to stay engaged during the Annual Enrollment Period.** I am here to help you navigate these changes, so please contact me to schedule your annual plan review today.

My continued goal is to provide you education, guidance and leadership that allows you to know more and stress less about your Medicare.

More From MP Group

Introducing MPU!

As a leading provider of Medicare education, our team at MP Group is proud to announce the launch of its new educational video library, MP University (MPU). This online educational platform is designed to help eligible Medicare beneficiaries enhance their knowledge by offering industry-leading Medicare education on both basic and more complex topics.

#MP TIP

Did you know that you can stop telemarketers from calling you?

Register your home phone or mobile phone on the National Do Not Call Registry to avoid receiving unsolicited calls from telemarketers. You can signup for free by visiting:

donotcall.gov

#MP Recipe Box:

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Cinnamon Apple Crisp

Prep Time: 60 Minutes

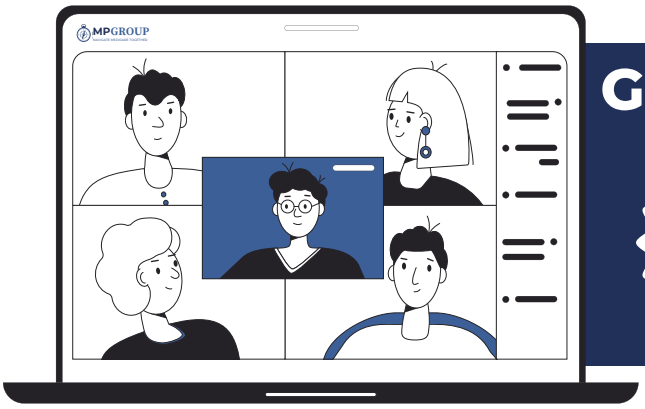
Ingredients

- 4 medium apples, cored and sliced
- 1 teaspoon ground cinnamon
- 1/2 cup rolled oats
- 1/3 cup brown sugar
- 1/4 cup unsalted butter (cut into small pieces)

Steps

- Preheat the oven to 350°F.
- Toss the apple slices with the ground cinnamon until evenly coated. Spread the apples in an even layer in a greased baking dish.
- Combine the oats and brown sugar. Cut in butter pieces with two knives until the mixture becomes crumbly.
- Sprinkle the oat mixture evenly over the apples.
- Bake for 35-40 minutes, or until the topping is crisp and the apples are tender.
- Enjoy it warm, possibly with a scoop of vanilla ice cream, if desired!

MP Group's Educational Events



Get Smarter about Medicare!

FREE

LIVE Interactive

Available Upon Request

We know Medicare and we love to share our knowledge. Each webinar is designed to deliver Medicare information in a simplified and understandable manner.

New to Medicare

Medicare Basics

Topics:

- Medicare Parts A, B, C, D and Medigap
- Enrollment Periods
- Eligibility
- Medicare Costs

45 Minutes

Medicare Working Past 65

Topics:

- Dates, timelines, and actions you need to take when working past 65
- Coordination of benefits; who pays first?

20 Minutes

New and Existing Medicare Beneficiaries

Original Medicare vs Medicare Advantage

Topics:

- Differences between Medicare Advantage and Original Medicare
- How to choose which option is right for you

20 Minutes

Medicare Part D - What You Need To Know

Topics:

- How Medicare Part D plans work
- Cost of Medicare Part D
- Enrollment dates

20 Minutes

Important Phone #'s You Need To Know

MP Group - 703-214-4600

CMS - 1-800-MEDICARE (1-800-633-4227)

Social Security Administration - 1-800-772-1213